



**CITY OF ASHEVILLE
and
ASHEVILLE REGIONAL HOUSING CONSORTIUM**

**HOME Investment Partnerships Program
and
Community Development Block Grant Program**

**APPLICATION FOR FUNDING
for
CONSTRUCTION
PROJECTS**

**for grant year starting
July 1, 2005**

Application workshop: December 3, 2004, City Hall 6th Floor

Pre-application form must be submitted by December 30 2004

GENERAL APPLICATION INSTRUCTIONS

Which Form?	<p>This form is to apply for CDBG or HOME funds for construction projects. Construction includes:</p> <ul style="list-style-type: none"> New housing construction Housing rehabilitation Commercial construction or rehabilitation Construction or improvement of public facilities Construction of public improvements Land acquisition or site improvement preparatory to construction <p>There is a separate form for non-construction projects. If in doubt, please contact City of Asheville staff (address below).</p> <p>Please note that homeowners and investors seeking housing rehabilitation assistance within the City of Asheville may apply to the City at any time for a CDBG rehabilitation loan.</p>
CDBG or HOME?	<p>This is not a simple question, since the programs do overlap. Here are some guidelines:</p> <ul style="list-style-type: none"> • CDBG assistance is limited to projects within the City of Asheville • HOME funds may be used anywhere in the Consortium (Buncombe, Henderson, Madison, and Transylvania counties). • Non-Housing projects – CDBG only • New housing construction – HOME only (except for Community Based Development Organizations which may use CDBG for new housing construction in Asheville). <p>If in doubt, please contact City of Asheville staff. If the project is eligible for both sources of funding you must choose which one to apply for, as HOME and CDBG cannot be used on the same project.</p>
Eligible Applicants	<p>HOME applicants must be:</p> <ul style="list-style-type: none"> • Consortium member governments; <u>or</u> • Non-profit agencies or for-profit corporations applying <u>through</u> a member government (outside Asheville: contact your member government for additional application requirements); <u>or</u> • Non-profit Community Housing Development Organizations (CHDOs). <p>CDBG applicants must be:</p> <ul style="list-style-type: none"> • Non-profit agencies with a primary purpose of providing housing, human services or economic development services within the City of Asheville. <p>“Non-profit” means having a 501c(3) tax exemption notice from the IRS.</p> <p>All applicants must demonstrate a track record of continuous and active operation for at least two years.</p>
Income Eligibility	<p>In general, all projects must benefit persons with household income below 80% of area median income adjusted for family size (see table on Page V). Special conditions apply to HOME-assisted rental projects, and to CDBG-assisted non-housing projects. New applicants should seek advice on eligibility from City</p>

Community Development staff at 259-5721 before preparing their application.

Grant Period The funding period starts July 1, 2005. Costs incurred before that date cannot be reimbursed. It is expected that all projects will be completed and occupied by December 2007 at the latest (June 2007 for owner-resident rehabilitation activities).

Special Conditions Construction projects must comply with federal rules for: environmental review, “Davis Bacon” wage rates, real property acquisition, contract procurement, lead based paint, and (for large projects) HUD Section 3 economic opportunity. Because of these conditions, HOME and CDBG funds cannot be provided for construction projects that are scheduled to start **before** July 1, 2005. Please also note that the intention to use federal funds for a project triggers federal acquisition and relocation regulations affecting real estate purchase.

Invalid Applications Applications may be rejected without evaluation for the following reasons:

- 1) Program not clearly eligible according to CDBG/HOME regulations.
- 2) Applicant has demonstrated poor past performance in carrying out CDBG- or HOME-funded programs, or complying with federal regulations.
- 3) Applicant fails to provide audited financial statements or other required information.

Project Evaluation & Funds Allocation Applications will be evaluated by staff and assigned scores according to criteria based on the priorities in the Consolidated Strategic Plan, the feasibility of the project, and the capacity of the agency to carry it out. Criteria will be based, in part, on priorities to be established in the 2005-2010 Strategic Consolidated Plan and are therefore not yet available. These scores will be used as a guide in allocating funds, but will not be the sole factor in determining whether a program will be funded or how much funding it will receive.

After this initial evaluation, CDBG applications will be reviewed by the City of Asheville's Housing and Community Development Committee and HOME applications by the Asheville Regional Housing Consortium Board. These bodies will present their allocation recommendations to the Asheville City Council in the form of a Consolidated Action Plan for the CDBG and HOME programs. In addition, the City will seek citizen input on the Plan through public hearings and written comments. The schedule is on the next page.

Applicants should understand that this is a competitive application process for limited funding. There will be applications for projects that satisfy many of the evaluation criteria but are not funded. Successful applications may be funded for less than the amount requested.

Schedule for CDBG & HOME Planning for 2005

2004	
November 9	First Public Hearings in Henderson and Madison Counties
November 10	First Public Hearings in Buncombe and Transylvania Counties
December 3 (Friday) (9:30 – 11:30 Asheville City Hall, 6th floor training room)	Training session for applicants. You are strongly advised to attend
December	1-on-1 Technical Assistance – required for new applicants
December 30 (Thursday)	Deadline to submit pre-application form
2005	
January 31 (Monday)	Deadline for applications
February	Staff review of applications
March 9 or 16	HOME applicant interviews
Week of March 14	CDBG applicant interviews
March 25 (Friday)	Draft Plan published for public comment
April 12 (Tuesday)	Asheville City Council: Public Hearing on draft plan
April 22 (Friday)	Deadline for citizen comments on draft plan
April 26 (Tuesday)	Asheville City Council approves Plan
May 12	Deadline for submitting Plan to HUD

Income Limits For Extremely Low, Very Low, and Low Income Households

(Based on HUD calculations of area median family income for FY 2004.
We expect to receive revised limits for 2005 early next year)

County	Category	% AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Buncombe & Madison (incl. City of Asheville)	Extremely Low Income	<30%	10,450	11,950	13,400	14,900	16,100	17,300	18,500	19,700
	Very Low Income	31-50%	17,400	19,900	22,350	24,850	26,850	28,850	30,800	32,800
	Low Income	51-80%	27,850	31,800	35,750	39,750	42,950	46,100	49,300	52,500

AMI = Area Median Family Income

County	Category	% AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Henderson	Extremely Low Income	<30%	11,100	12,650	14,250	15,850	17,100	18,350	19,650	20,900
	Very Low Income	31-50%	18,500	21,100	23,750	26,400	28,500	30,600	32,750	34,850
	Low Income	51-80%	29,550	33,800	38,000	42,250	45,600	49,000	52,400	55,750

County	Category	% AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Transylvania	Extremely Low Income	<30%	10,750	12,300	13,800	15,350	16,600	17,800	19,050	20,300
	Very Low Income	31-50%	17,900	20,500	23,050	25,600	27,650	29,700	31,750	33,800
	Low Income	51-80%	28,650	32,750	36,850	40,950	44,250	47,500	50,800	54,050

Client Income eligibility: HOME- and CDBG-assisted programs must serve low income clients (less than 80% of AMI). For HOME rental programs lower income limits apply. For all HOME programs and for CDBG programs providing direct financial benefits, **all** clients must meet income eligibility limits. For other CDBG programs at least 51% of clients must meet income limits. Certain categories of CDBG clients e.g. the homeless, may be presumed to meet income limits. If you are not sure about your program's eligibility, please call CD staff.

Client Income Tracking: As well as ensuring client eligibility, HUD requires us to report the numbers of clients served in each of the income groups listed above.

DETAILED APPLICATION INSTRUCTIONS

- Submit **pre-application form** no later than **Thursday, December 30, 2004**
- **Applicants who have not previously received CDBG or HOME funding for the same, or a very similar project, must set up a meeting with CD staff before submitting their full application, to discuss program eligibility and other requirements. New projects without an initial meeting may not be accepted.**
- Submit original and four copies of **full application** by 5:00 PM on **Monday, January 31, 2005**
- Forms may be submitted by hand at Asheville City Hall, Fifth Floor, or by mail to:
City of Asheville
Community Development Division
Post Office Box 7148
Asheville NC 28802-7148
- Electronic submission is acceptable for the pre-application form, but not for the full application form.
- The application form may be completed manually or reproduced in applicant's word processor system (recommended). It can be downloaded from the City website at <http://www.ashevillenc.gov/planning/cdbg.htm>
- Applications should be fastened with a paper clip or other fastening that can easily be undone for copying. Please do not use binders, covers, or staples.
- Applications should start at Page 1 (Application Information). Do not include a cover letter or the instruction pages; any covers will be discarded.
- The required attachments listed on Page 2 should be attached at the back of the original application in the order listed. If lengthy, they may be omitted from the copies.
- Additional printed documentation, photographs and maps may be placed immediately behind the page they refer to. They should be included in all four copies.
- Narrative responses should be double-spaced in a typeface no smaller than 11-point.
- **Applications exceeding 20 pages (excluding required attachments) and pages larger than 11x17 or in color are strongly discouraged. We may require you to furnish up to 15 additional copies of such applications or pages at your own expense.**
- Please read all questions and instructions carefully. **The care that goes into accurately and informatively completing this application is evidence of your agency's ability to manage the complexities of CDBG and HOME program requirements.**

Staff in the City's Community Development Division will be happy to answer questions about the CDBG and HOME programs, this form and the application process, but cannot help write applications or offer comment on drafts. (Tel. 259-5721), e-mail: bgriffith@ashevillenc.gov.

PRE-APPLICATION FORM

Construction

Please submit this form (one page) as early as possible,
and no later than Thursday, December 30, 2004

Name of Applicant: _____

Contact Person: _____

Address: _____

City/State/Zip: _____

Telephone Number: _____

Provisional Name of Project: _____

Project Type (check one or more):

- _____ New Housing Construction for Homeownership
- _____ New Housing Construction for Rental
- _____ Owner-occupied rehabilitation (other than Emergency Repairs)
- _____ Rental Rehabilitation
- _____ Property Acquisition for new housing construction
- _____ Construction of public improvements or public facilities
- _____ Construction or Rehabilitation of commercial facilities

Other: _____

Applying for (check one): ☐ CDBG funds ☐ HOME funds ☐ Not sure yet

Likely amount of request (check one):
_____ less than \$50,000
_____ \$50,000-100,000
_____ more than \$100,000

Please check one of the following statements:

- _____ We have previously received CDBG or HOME funds for this project or one very similar and do not need one-on-one technical assistance before submitting our application.
- _____ We have not previously received CDBG or HOME funds for this project and request one-on-one technical assistance before submitting our application.

**CITY OF ASHEVILLE
ASHEVILLE REGIONAL HOUSING CONSORTIUM**

**Application for Funding
for a
CONSTRUCTION PROJECT**

This is an application for:
(Check only one box)

☐

CDBG

☐

HOME

**SECTION I
APPLICATION INFORMATION**

Full Legal Name of Applicant: _____

Applying as:
(check one)

☐

Asheville CDBG Subrecipient

(CDBG only)

☐

Asheville HOME Subrecipient

(HOME only)

☐

Other Member Government

(HOME only)

(Subrecipient agency, if any: _____)

☐

CHDO

(HOME only)

Address: _____

City/State/Zip: _____

Telephone Number: _____

Contact Person: _____

Title: _____

Telephone Number: _____ E-mail: _____

Name of Project: _____

Total funds requested: \$ _____

To the best of my knowledge and belief all data in this application are true and current. The document has been duly authorized by the governing board of the applicant.

Signature _____
Mayor/Chair of Board

Date

CHECKLIST OF DOCUMENTATION INCLUDED WITH THIS APPLICATION:

You must provide an **ORIGINAL** plus **FOUR COPIES** of the following sections in the order listed:

- ☐ Application Information
- ☐ Project Description (including location and site maps)
- ☐ Program Budgets & Pro-forma
- ☐ Agency Management
- ☐ Disclosure of Potential Conflicts of Interest

Also, please provide **ONE** of each of the following attachments, if available:

- ☐ Current Organizational Chart
- ☐ IRS tax determination letter (501(C)(3) On file with City* ____ Attached ____
- ☐ Current Bylaws and Articles of Incorporation On file with City* ____ Attached ____
- ☐ Most recent independent audit On file with City* ____ Attached ____
- ☐ Auditor's "Management Letter" On file with City* ____ Attached ____
- ☐ Most recent un-audited financial statement
- ☐ Current Board of Directors
- ☐ **Your agency's written policy for complying with the Americans with Disabilities Act (ADA)**
(New requirement this year)

* Please check with CD staff before indicating that documents are on file with the City.

SECTION II PROJECT DESCRIPTION

Project Title: _____

Project Location: _____

II.A Type of Activity (check one)

- ____ New construction for Homeownership ____ New construction for rental
- ____ Owner-Occupied Rehabilitation ____ Rental Rehabilitation
- ____ Acquisition/Rehab/Resale ____ Predevelopment Loan (HOME only)
- ____ Public Facility or Improvement (CDBG only)
- ____ Commercial Property Improvement (CDBG only)
- ____ Other (specify): _____

II.B. Short Description. One or two sentences stating the number and type of housing or other units expected to result from this project and the targeted client group. State both total number of units in

project and number to be assisted with CDBG/HOME (e.g. “ *New construction of 5 one-bedroom apartments for rent to developmentally disabled adults; all units to be HOME-assisted*”)

II.C Project Description. Please attach a **detailed description** of the project, addressing **all** of the following questions. Please check each box to show that you have addressed the question, or insert “N/A” where the question is not applicable or no information is available.

Site

- ☐ General location map showing development site in relation to streets and points of interest in the surrounding neighborhood (**at least ½ mile radius**). Waterways and railroads must be shown.
- ☐ Site map showing lot boundaries, street access, location of structure(s), and other site features
- ☐ Size of development site in acres.
- ☐ Access to transportation, employment centers, shopping for basic needs, community services.
- ☐ Current site zoning and the status of any required planning reviews.
- ☐ Site control: If you already own the site or property, submit a copy of the deed and describe all existing liens or deeds of trust on the property. If the site is currently under an option agreement, submit a copy of the option and purchase agreement.

Property Acquisition

- ☐ Has agency acquired real property in order to carry out the project, or is property acquisition planned?
- ☐ Has property owner been informed of your intention to use federal funds for this project? If so attach letter.
- ☐ Is the property currently occupied? If so, state the number of tenants and describe in detail how you will determine relocation needs and help occupants to relocate in accordance with Uniform Relocation Act.. Include the cost of this in your budget. If you have issued a General Information Notice to tenants informing them of their rights to relocation assistance, attach a copy.

Construction Detail

- ☐ Floor plan and sketch of finished building(s). Annotate floor plan to show ADA features if present. Annotate sketch to emphasize design features that you consider particularly attractive and compatible with other buildings in the neighborhood.
- ☐ How many units will be newly constructed: _____; rehabilitated: _____;

- ☐ Square footage of each unit: _____; Number of bedrooms/baths: _____.
- ☐ Will project participate in an externally monitored energy efficiency program (e.g. Energy Star)?
Yes: _____ (provide details). No: _____
- ☐ How many units will have full ADA accessibility: _____;
How many others will have at least the following accessibility features: _____:
- An at-grade or ramped entrance to the main floor or the capability to easily install a ramp later on; and
 - All doorways and passageways on the main floor at least 32” wide; and
 - A bathroom or half-bath on the main floor that will accommodate a wheelchair (**show dimensions of unobstructed floor area on floor plan**)

Lead-Based Paint (Rehab projects only)

- ☐ Describe in detail how you plan to address lead-based testing and abatement or hazard control on any property built before 1978.

Affordability, Marketing, & Supportive Services

- ☐ Proposed rents or sales prices for completed housing units. For rental units, estimate utility costs.
- ☐ Process for marketing to ensure an adequate pool of income-eligible renters or buyers
- ☐ Any steps planned to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, buy-back options, etc.
- ☐ Any services coordinated with the project that will help ensure occupants’ long-term housing success.

II.D. Project Team.

1. Identify the project team by name, job title, and employment status (employee, independent contractor, or volunteer), and describe each person’s relevant experience and specific responsibilities in this project. If the team is not yet assembled, then describe how you will select them.
2. For Rehab projects only: List all project staff who have completed training in Lead Safe Work Practices (with date) or have any more extensive training in Lead Based Paint hazard control.

II.E Timetable.

Please complete a **detailed** and realistic timetable showing when each work task will be completed (e.g. planning, obtaining financing commitments, design, environmental review, bidding, loan closing, key milestones in construction, marketing, final inspection, occupancy, etc.). The larger the project, the more detail we expect to see. **Your timetable must reflect an expectation of starting construction or expending a significant amount of funding before**

June 30, 2006, and of completing the project by December 2007 (June 2007 for owner-resident rehabilitation activities).

Work Tasks	Date to be Completed

II.F. Client Demographics. Please complete the following tables to the best of your ability. Show actual or estimated numbers of beneficiaries, **not percentages**, in each category. In general you should count **households** as the beneficiaries for housing programs and **persons** for non-housing programs. Current income limits are at page V of the instructions.

Income Group	Number
<30% of area median income (AMI)	
31-50% of AMI	
51-80% of AMI	
>80% of AMI*	
TOTAL	

* Seek advice from City of Asheville staff if your project will benefit any people above 80% AMI.

Special Needs Beneficiaries (if applicable)

Category	Number
Elderly (over 60)	
Disabled (not elderly)	
Homeless	
People with HIV/AIDS	

SECTION III PROJECT BUDGET AND FUNDING

III.A. Revenues

Show total revenues for the project, including funds already expended. If project financing structure changes when construction is completed, then you should complete the “Permanent” financing column, if not, then leave column blank. Attach funding commitment letters where available or copies of funding applications you have submitted.

Source	Committed?	Construction Period	Permanent (if different)
This Grant (or loan)	No	\$	\$
Prior year HOME*	Yes	\$	\$
Prior Year CDBG*	Yes	\$	
HOME program income	Yes	\$	\$
CDBG Program Income	Yes	\$	
Other grants (list):		\$	\$
		\$	\$
		\$	\$
		\$	\$
Support from the Public		\$	\$
Bank Loans etc.		\$	\$
Other sources (list):		\$	\$
		\$	\$
Total Revenues		\$	\$

* HOME or CDBG funds received from the state should be treated as “other grants”

III.B. Terms of Funding.

- CDBG/HOME funding is sought in the form of a: ☐ Grant ☐ Loan (check one).
- State amounts and terms for all loans, (if not known, tell us your working assumptions)

Source	Amount	Term (years)	Interest Rate	Amortizing Y/N	Any other requirements
This loan					

III.C. Secondary Financing / Second Mortgages

If CDBG or HOME funding for homeownership development will roll over from construction into permanent secondary financing (loans) for the homebuyers, state the estimated amount per buyer and the proposed terms of financing. If other homeowner subsidy is anticipated, state the source and estimated amount per buyer for that financing too.

III.D. HOME Match (HOME funded projects only)

List the project revenues which will count as matching funds (non-federal funds that are permanently contributed to the project). Include any in-kind contributions of materials and labor, including sweat equity, at \$10 p.h. If in doubt whether funds will count as match, please call Sherman Fearing on (828) 259-5725.

Revenue Source	Amount
	\$
	\$
	\$

III.E. Program Income

Program income is income directly generated by the use of CDBG, HOME or other Federal funds. Examples include the repayment of CDBG or HOME loans that you have made, or the net proceeds from sale or rent of assisted property (pro-rated to reflect the amount of CDBG/HOME in the project).

1. Will any of the programs operated by your organization generate CDBG or HOME program income in 2005-06? If so please answer the following questions.
 - a. List the programs and estimated income
 - b. How does your organization currently use program income?
 - c. Complete the table below for your organization's on-hand and projected CDBG and HOME program income. Remember to include program income from all of your CDBG or HOME programs.

	CDBG Program Income		HOME Program Income	
Balance at 12/31/04	\$		\$	
Estimated receipts 7/1/05 – 6/30/06	\$		\$	
Proposed Use(s) & Amount(s)	Program	Amount	Program	Amount
		\$		\$
		\$		\$
		\$		\$
		\$		\$

III.F. Costs

Be as detailed as possible. Add or amend categories as needed. The second column should cover total project costs (including those met from HOME or CDBG), the third column shows how much of each line item is to be met from HOME or CDBG, and must be consistent with the HOME/CDBG revenues shown in section IVA.

Category (add/amend as needed)	<u>All</u> Costs	This grant/loan only
Construction Period		
Acquisition	\$	\$
Relocation*	\$	\$
Demolition/Clearance	\$	\$
Site improvements*	\$	\$
Rehabilitation*	\$	\$
New construction*	\$	\$
Construction contingency	\$	\$
Architect/Engineer fees	\$	\$
Construction loan fees	\$	\$
Construction interest*	\$	\$
Construction period taxes	\$	\$
Legal/Accounting	\$	\$
Other Prof. fees (Appraisal etc)	\$	\$
Agency project delivery costs (if no developer fee)	\$	\$
Other pre-construction or construction period costs:	\$	\$
	\$	\$
	\$	\$
Permanent		
Permanent loan fees	\$	\$
Developer fee	\$	\$
Reserves	\$	\$
Other	\$	\$
Total Development Costs	\$	\$

* for these items, please add notes on how the costs have been estimated.

III.G. Pro Forma (Rental Property Only)

If you are developing property for rent (commercial or residential), attach a 20-year pro forma showing estimated income, expenses, net operating income, debt service, and net cash flow.

SECTION IV AGENCY DESCRIPTION

Please provide the following information for the agency that will actually carry out the project.
Member governments carrying out projects entirely with their own staff may omit this section.

IV.A. Organization

1. What is your organization mission statement?
2. Incorporation date (Month and Year)?
3. Estimated Total Agency Budget for FY 2005: \$ _____
4. Total number of agency staff (full time equivalents) _____
5. Does your organization have any of the following written management policies:

Policy	Yes	No	Date Last Updated	On file with City ?
Personnel policy				
Job descriptions				
Purchasing policy				
Code of conduct				
ADA policy*				
Indirect Cost Allocation Plan				

*** This year we ask you to attach a copy of your ADA policy (self evaluation), if it is not already on file with us. An ADA self evaluation goes beyond a simple statement of intention not to discriminate; it shows how you have reviewed your premises, programs, and personnel policies to ensure that no unnecessary barriers exist to program participation or employment for persons with disabilities. More details at: <http://www.hud.gov/offices/cpd/lawsregs/notices/2000/00-10.pdf>**

IV.B. Agency Track Record

Please describe what makes your agency particularly qualified to carry out the program described in Section II. (This may include your past achievements in carrying out similar projects, experience of key staff, collaborative relationships with other agencies, or any other features relating to agency capacity that you consider relevant.)

IV.C. Board of Directors

1. How many board members should you have according to your by-laws?
2. How many do you actually have at this date?
3. How often does your board meet?

4. What was the actual attendance at each of the last three regular Board meetings?
5. Have you failed to reach a quorum at any Board meetings in the last 12 months?
6. What efforts do you make to ensure that your board represents the community it serves?

IV.D. Attachments

Please provide one copy of each of the following documents, unless they are already on file with the City:

1. By-Laws, Articles of Incorporation, and 501c(3) determination letter.
2. A copy of your most recent **audited financial statement**, including the management letter if one was issued.
3. If you have completed a financial year that has not yet been audited, please also attach the **un-audited financial statement** for that year.
4. A complete list of the members of your **Board of Directors**. Include addresses and phone numbers.
5. An **organizational chart**. Highlight staff who will be responsible for this project.
6. A copy of your **ADA Policy**.

SECTION V DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Are any of the Board Members or employees of the agency which will be carrying out this project, or members of their immediate families, or their business associates:

- a) Employees of or closely related to employees of the City of Asheville
**or the member government through which this application is made:* YES ___ NO ___
- b) Members of or closely related to Members of Asheville City Council
or the Council or Commission of the member government through which this application is made: YES ___ NO ___
- c) Current beneficiaries of the program for which funds are requested: YES ___ NO ___
- d) Paid providers of goods or services to the program or having other financial interest in the program: YES ___ NO ___

If you have answered YES to any question, **please attach a full explanation**. The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded.

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